

# Review of INTERNATIONAL AFFAIRS

VOLUME VIII

October, 1, 1957

NUMBER

180

BEOGRAD

Published by:  
THE FEDERATION OF  
YUGOSLAV JOURNALISTS

Chief Editor and Director  
MILORAD MIJOVIĆ

Issued twice a month

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## SOME ASPECTS OF WEST-GERMAN ELECTIONS

L. ERVEN

THE RESULT of the West German parliamentary elections, which were held September 15, had been expected with great interest even outside Germany. Naturally elections are an internal affair of every individual country, but not always an internal affair without interest for the outside world. This wider interest is justified particularly in the case of a country which, owing to its position, influence and problems, is closely linked with the fundamental problems of international relations, as it is the case with Germany.

Owing to the specific position of Western Germany in European politics, her problems surpass the limits of her state policy. This is particularly true of the problem of German unification, which is not only a matter for the German people — although they themselves are primarily concerned with its solution — but also a question affecting European peace and security. In the period between the previous elections and these, this problem became acute in Germany, both because of the consolidation of the two German states and because of the differences between the two West German parties over the possible methods of unification and the policy of the future united

Germany. One of the reasons why Western powers wanted Dr. Adenauer to win the elections was that his defeat would endanger the course of West Germany's present foreign policy and her place in the military and political system of the Western European bloc.

The elections resulted in a victory for the ruling Christian Democratic Union, which secured more votes and more seats in parliament than before. It now commands an absolute majority, which sees it from the necessity of forming coalition governments by means of various concessions. The Social Democratic Party — if it hoped to win the elections — suffered disappointment, but nevertheless it won more votes and more parliamentary seats than previously. Its position in the Bundestag has improved politically, because it now has one third of the votes, so that no change in the Constitution can be made without its consent. These vote increases won by the two chief parties was partially the result of the greater number who went to the polls, and partially due to the changes in the trend of the electorate, to the detriment of the smaller parties, some of which were completely eliminated.

Accordingly, apart from the figures, which do not change the relation of strength in the parliament, the elections have not brought about any visible changes in the policy of the Federal Republic. Dr. Adenauer's foreign political views and, indeed, his entire programme, were supported by an absolute majority of the German voters. It may, however, be asked whether the result of the elections will render the unification of the country — the chief aim of West German policy — easier or more difficult.

The Christian Democratic Union and the Socialist Democratic Party have some points of contact in foreign policy, but they differ on the question of the reunification of Germany. They both reject reunification by agreement with East Germany. They demand general elections under a common German law for the whole of Germany, which would be the preliminary step to a single German parliament and a single government. This method of unification ignores the existence of East Germany as a separate state and, in view of the comparative numerical strength of the two parts of the country, it would eliminate all East German influence in the later organization of the state. Judging by



this, neither of the two parties can hope that their programme will be accepted by either East Germany or by the Soviet Union, one of the four Great Powers responsible for the solving of the German problem.

However, there are significant differences in the programmes of Dr. Adenauer and Dr. Ollenhauer in other matters which constitute the German problem. Dr. Adenauer does not offer anything in return for a German general election. On the contrary, he promises that a united Germany would in all respects continue to pursue the present policy of West Germany and retain its present position in the Western bloc and its military and political formations. He considers that the Soviet Union has an ample guarantee of security in the defensive character of these formations and in the general peaceful policy of the Western bloc. The Soviet Union, however, does not share his views in relation to the security guarantees thus offered by the Western bloc.

Dr. Ollenhauer, on the other hand, has introduced a little more flexibility and inventiveness into his programme. In return for a German general election he is ready to make some concessions which, he believes, would offer the Soviet Union sufficient guarantees of security. He promises Germany's withdrawal from the Atlantic Pact in return for a general system of European security, the elimination of all military bases in Germany, the limitation of German armaments, the renunciation of atomic weapons and the abolition of compulsory military service.

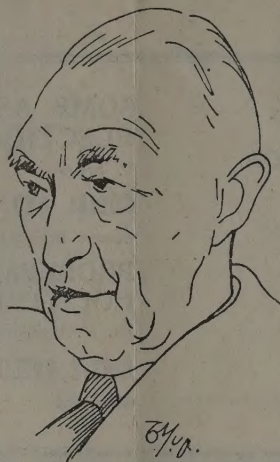
Although Dr. Ollenhauer ignores the existence of East Germany, with all the consequences thereof, and although he dismisses the proposals of the East German government just as intolerantly as Dr. Adenauer, he does not ignore the security of the Soviet Union, nor the fact that the Soviet Union is a factor as important in the solving of the German problem as the United States. His plan has been drawn up on a tactical and psychological supposition, i. e., that the Soviet Union, owing to the difficulties and opposition encountered by her own plans for the solving of the German problem, would perhaps be willing to accept a system of security offered by West Germany in exchange for the revision of her views on the role which East Germany should play in unifying the country. This view is perhaps wrong, but it is not devoid of realism. But like every compromise which necessitate concession from all concerned.

Dr. Ollenhauer's programme of the counter-blot to the West, because it endangers its entire system of security in Europe, and to the East, because it rejects Eastern Germany as a factor in German unification.

Dr. Ollenhauer's programme of the country's unification, as we have seen, did not appeal to a majority of German voters. By giving their overwhelming support to Dr. Adenauer, they supported the Christian Democratic programme of unification.

If Dr. Adenauer's victory should be interpreted as an imperative demand from the electorate that the new West German Government should seek a solution to the German problem exclusively within the program-

me of the Christian Democratic Union, this would make progress towards the country's unification even more difficult. For the programme does not take into account two fundamental facts which have been preventing German unification: one, that East Germany really exists, and the other, that problem of German unification — although a problem of the German people — is also a problem of European security, so that the method and the final form of its solution do not depend only on the German people, and still less on the people in West Germany alone. It can be solved only by agreement of the four great powers which un-



Adenauer

tertook during the war to solve jointly all questions concerning the future of Germany. Dr. Adenauer's programme agrees with the Western views only. The solution which he proposes can hardly be accepted by the Soviet Union, nor can it be imposed on her. In view of all this, the German problem further increases the complexity of East-West relations. Naturally, East-West contradictions cannot be solved by elections in West Germany. Dr. Adenauer's victory, therefore, if taken to mean a refusal of any contact with East Germany, may postpone the solution of the German problem for another four years, i. e., the duration of the parliament's mandate.

Western commentators interpret Dr. Adenauer's victory as a clear approval of his foreign policy by an absolute majority of West German voters. And actually no one can doubt that Dr. Adenauer, if he ever finds it necessary, will make full use of the election results to justify his policy. But whether this has, in all its aspects, a decisive factor in his victory, can be shown only by a thorough analysis of the voters' pre-election trends. It is not certain, however, whether the choice of the voters was more influenced by the diplomacy of Von Brentano or by the administration of Dr. Erhard.

The candidates of the Social Democratic Party were handicapped (if this word can at all be used in this case) by the results of the Bonn government's economic policy, i. e., the rapidly rising standard of living, which the average German values highly,

and understands much more readily than, complexity of the foreign policy problem with their perspectives and repercussions. German voters must have considered the government's foreign policy to have been a factor which made their prosperity and expanding foreign trade possible. According to some reports, candidates of the Christian Democratic Union emphasized that the economic expansion was the result of the government's policy.

In addition to this foreign policy aspect other points regarding the German elections are interesting, among them the composition of parliament. Ever since the first election the smaller parties have been losing support among the electorate. In 1949, there were in parliament, in addition to the two chief parties, the Christian Democrats and the Social Democrats, even smaller parties which held one third of the total number of seats. Some of these were formed by the more faithful adherents of the Third Reich; others were of local significance. In 1953 fewer smaller parties had representatives in parliament, but at the recent elections only two of them succeeded in winning seats. Accordingly, the Bundestag is becoming a two-party parliament. While throughout this period the growth of the Social Democratic Party was moderate, that of the Christian Democratic Union, which increased the number of its seats in parliament from 139 in 1949 to 270 this year, shows that it has won most of the votes of the former smaller parties. The disappearance of these parties is interpreted by some western commentators as a sign of progress in West German public and political opinion. But, another conclusion is also possible — that the Christian Democratic Party has become a collector of the votes of the old Nazi and great German reaction.

Some commentators on the German elections are inclined to interpret this regrouping of parties as a phenomenon of the two-party system which is compared with that of Britain. This comparison, however, is quite formalistic and premature. The difference between the British and German two-party system corresponds on the whole to the differences between the British and the German mentality, between the British and the German parliamentary tradition. In Britain this tradition is the basis of the two-party system and its functioning, while in Germany it can only be an obstacle to its permanent consolidation. Periodic change of the party in power is quite frequent in Britain, but this hardly ever happens in Germany now. The German voter is inclined to be influenced by the personal authority of a successful politician. Success as such is more appealing to him than the excellence of any programme. He likes to follow the majority. The elections held in the Third Reich provided a truly realistic picture of the general type of German voter, particularly in periods of national or political excitement.

We do not intend to compare the political life of the Third Reich with that of Western Germany today; but Dr. Adenauer's



ory, in our opinion, was largely due to personal authority, which has been growing from 1949, and which has doubled the length of his party in parliament since then. There are political commentators who, viewing the history of Germany from Bismarck to Adenauer, seem to consider that the tendency of the German voter to vote

for a person he admires fosters the germs of an authoritative regime. But there is no such danger today, and perhaps there will not be such danger for a long time, not so much because of the changed voting habits of the German people as because of the personality of Dr. Adenauer or because of his advanced years.

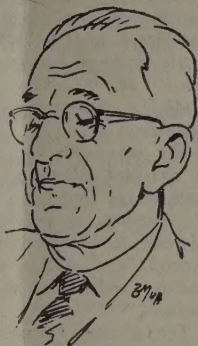
## INTERNATIONAL MEETINGS

### CLOSER CONTACTS AND COOPERATION

#### — UNESCO REGIONAL CONFERENCE IN DUBROVNIK —

Dr. Siniša STANKOVIĆ

President of the Yugoslav National Commission for UNESCO



TO HELP maintain peace and security by developing cooperation and mutual understanding between all nations of the world through education science and culture is the fundamental task of UNESCO, one of the great organizations of the United Nations. The activity of UNESCO, which has grown to unexpectedly large proportions in the eleven years of its existence, has revealed all the greatness and the complexity of this task together with the difficulties which will have to be surmounted. To promote contacts and understanding between the peoples of the world who differ so much in race, language, history, traditions and cultural development, to strengthen ideological and cultural exchanges between them, to alleviate the differences in the cultural standards of individual people, and, above all, to develop the feelings of mutual respect regardless of their race, language and religion — is the mission UNESCO can fulfill with the constant assistance of all its member-states. But UNESCO, in its work, does not rely only on the assistance of the governments of its member-states, and not only on the activities of its Secretariat but also on other organs. Voluntary assistance of various international and national cultural and scientific organizations is an essential requisite for its success.

An important place among these organizations is taken by the national commissions for UNESCO which have been formed in almost all member-states. These commissions have many and variable functions. They are, first of all, consultative bodies which advise governments on matters concerning UNESCO's programme and budget and promote the composition of national delegations to its general conferences, particularly when these conferences discuss questions of particular interest to their countries. On the other hand, the national commissions are the link between the UNESCO's Secretariat

and all national organizations, institutions and individuals who work on the implementation of UNESCO's plans. They are also organs which participate in the drawing up of UNESCO's annual programmes, which help the realization of the organization's tasks in their own countries and organize cooperation between different national organizations, institutions and individuals in this work. Furthermore, they are the organs which inform the public in their countries about the aims and strivings of UNESCO, arouse interest in the cultures of other peoples, stimulate the national forces to inform, as thoroughly as possible, other people about their own countries' cultural traditions, help and support all undertakings whose aim is to expand cultural and scientific cooperation with other countries. With such functions, the national commissions are the chief pillars of UNESCO in its work, and is therefore quite understandable why so much attention is being paid to their organization, forms and methods of activity. The national commissions act primarily within their national boundaries. But the nature of UNESCO's tasks necessitates cooperation between the national commissions from different countries. In earlier years, representatives of the national commissions from different countries used to be invited to consultations during the general conferences of the Organization. Accordingly, certain national commissions started convening regional consultations of a definite number of countries with the aim of exchanging experience and of promoting closer cooperation in implementing the parts of the Organization's programme of particular interest to them. The experience of the conferences of the Asian countries held in Bangkok in 1951, in New Delhi in 1954 and in Tokyo at the beginning of 1956, revealed the usefulness of such regional conferences.

The first regional conference of the national commissions of the European countries, initiated by the French National Commission, was held in France in May of 1956, and it was successful. At that time, the delegations of the European commissions exchanged their wealthy experience, discussed activities of interest to their countries, the forms of their permanent cooperation, the role of the youth in the implementation of UNESCO's plans, and recommended that regional conference be held from time to time in the future too.

This year, the Yugoslav National Commission, together with the National Commissions of France, Poland and Switzerland, proposed that the second regional conference should be held in Dubrovnik from October 1 to 6. Twenty three national commissions accepted the Yugoslav invitation. The proposed agenda of the conference includes, apart from discussions of experience and work of individual national commissions and exchanges of views on UNESCO's programme for 1959/60, also an exchange of opinions about the application of the plan: "Studies of the Eastern and Western Cultures". This plan, the implementation of which will last ten years, is a great undertaking, and there is no need to emphasize its far-reaching importance. To uproot the misunderstanding between the East and West, which is largely due to the insufficient knowledge of each other's cultural past, and to appraise correctly the contribution of the Eastern and Western countries to the general cultural development of mankind must be the primary aim of UNESCO the realization of which would help to decrease the existing differences and to preserve world peace. The conference in Dubrovnik is to discuss the possibilities of the European countries to take part in the implementation of this plan, not only within their national boundaries, but also in broader proportions. There are problems in the plan which are common to all European countries, and they can only be solved by cooperation for which the most suitable forms must be devised.

Another special thing will characterize the Dubrovnik conference. The participants will be able to discuss, freely and frankly, the possibilities of the active coexistence of the European countries and other countries in the cultural field. Although the subject does not fall within the official programme of the conference. Now, when the principle of coexistence seems to be the most successful way of uprooting differences and preserving peace, all efforts to strengthen cultural cooperation between individual countries with different social systems cannot but be acclaimed by all well meaning people.

Thus, the regional conference of the European national commissions for UNESCO in Dubrovnik will be, both a step further in the realization of the noble aims of the Organization and an encouragement for broader cultural cooperation between the countries of Europe.





## CONFERENCE IN GENEVA

### — SESSION OF THE WORLD FEDERATION OF ASSOCIATIONS FOR UNO —

Vladimir SIMIĆ

Vice-President of the Federal People's Assembly

THIS YEAR'S conference of the World Federation of the National Associations for the United Nations, held in Geneva from September 2 to 8, attracted more attention among the general public than in any previous year. This is due partially to the expanded membership of the Federation, which is a non-governmental international organization, and partially to the increased role which the national associations as social organizations play in individual countries. The fundamental task of these associations is to popularize the principles of the United Nations, to cooperate with each other in this work, and to show to the public that peace and security can be successfully ensured only on the basis of the new international order and the spirit of principles and instruments of the Charter. Public opinion is the pillar of the World Federation and of the national associations for the United Nations individually. Therefore, the conception is spreading that delegations of individual national association to various meetings — if they keep in mind the role, tasks and aims of their organization as fully fledged members. The problem spokesmen of the official policies of their governments. What they must seek to achieve is greater freedom in the discussion of individual problems of the present day world as a way which can, not only make it possible for public opinion as an undoubted and democratic factor, to exert greater influence on the development of international relations but also help the organization to achieve the necessary degree of independence and so justify its existence as a group of social and political forces in the international field.

This year's conference was well attended. There were delegates from thirty two countries with all rights, and five delegations with restricted rights. All the continents were represented. At the conference the national associations of Argentina, Canada, Finland, Ghana and the People's Republic of Mongolia were admitted to the organization as fully fledged members. The problem of the admission of the East German Association was not solved this year either. As the Executive Committee of the World Federation had proposed, the conference was to admit the Association of Western Germany, which is still a member with restricted rights, as a fully fledged member, and the Association of Eastern Germany, which now has the status of an observer, as a member with restricted rights. The East German Association was ready to accept this solution, but the delegation of Western Germany

withdrew its application for full membership. And since both matters were to be considered and solved simultaneously, the whole problem had to be postponed. The action of the West German Association made an unfavourable impression on all delegations.

The conference had an extensive agenda. It consisted of thirty two items, and the work of the conference was also burdened by the elections of the Federation's organs. In addition to the president and the secretary general, also elected were new Vice Presidents and members of the Executive Council.

The greatest importance was attached to the problem of disarmament. As an agenda item it was formulated as: „How to strengthen the United Nations“, and it was divided into two sub titles: a) „The solving of international problems connected with disarmament and nuclear weapons“, and b) „The formation of an international police force“. In addition to a whole series of questions affecting the relations of the World Federation and the United Nations, and particularly with the specialized agency, there were other important questions, such as: the role of the Federation in the development of school education in the spirit of the United Nations, the promotion of independence of non self-governing territories, the youth and technical assistance, the problems of refugees in the world, with particular reference to Chinese refugees in Hong Kong, the role of the International Court of Justice in peaceful solving of international disputes etc.

Following a procedure similar to that applied in the General Assembly, discussions and preliminary voting on individual resolution proposed took place in commissions. There were programme, educational, political, economic-social commissions. The Yugoslav delegation consisted of three members, and it was forced to neglect the programme commission. One of its members was elected president of the economic-social commission, and the chief of the delegation, as one of the Vice-Presidents of the Federation, was in the chair during two plenary sittings.

Long, often excited and interesting discussions were conducted on disarmament in the political commission. Our delegation explained Yugoslavia's views on the matter. The whole discussion was based on two papers — one submitted by the French delegation, and the other by the Association of the People's Republic of Rumania. All the well known contradictions of view came to expression in the course of it. The delegates emphasized the conception that the

activity of the World Federation should be limited only to the passing of resolutions that it must be directed to share public opinion so as to exert pressure on governments to accept its recommendations and suggestions. Although it was said that security and disarmament must have a priority, most of the delegates were of the opinion that the Federation should not bind itself to categories of the 19th century or to those from the interwar period; that it was necessary to make a step ahead, even at a calculated risk as there can be no other choice, it is either a risk or a catastrophe. Yet, the delegations agreed that humanity was threatened by the explosion of nuclear devices that it was necessary to stop them as soon as possible. After the drafting committee approved one draft resolution (there were three), it was passed unanimously. This resolution called for a suspension of nuclear test explosions, for the prohibition of production of fissionable material for military purposes and of the use of atomic weapons for mass destruction — all under appropriate international control with the aim of achieving general disarmament.

Papers which served as a basis for discussion of the problem of forming an international police force were submitted by the National Associations of Sweden, America and Britain. After this discussion, during which most variably views were defended, the proposed resolution on the matter was reduced to a recommendation that such a force should be set up. Our delegation did not vote for this resolution. Our delegation explained that the Yugoslav armed forces were already taking part in an ad-hoc action of the United Nations, i. e. the action taken after the Suez crisis and the aggression against Egypt, that we were ready to take part in similar action whenever it proved necessary to preserve peace and strengthen the authority of the United Nations, but that, owing to the present state of affairs in international relations, the setting up of permanent international armed forces under the Charter would be a premature step. We proposed a committee to study the matter and submit proposals for discussion later on. Since this was not accepted, and since the resolution provides for „individual recruiting“ of the proposed forces, our delegation abstained from voting. It is noteworthy that the delegations of the countries which have contributed contingents to the United Nations Emergency Force abstained from voting.

Our delegation did not vote either on the resolution or the role of the International Court of Justice in peaceful solving of international disputes. This matter was discussed on the basis of papers submitted by the delegations of the Soviet Union and the Netherlands. These papers undoubtedly treated the problem of international jurisdiction in all its aspects; this was instructive and useful, but the discussion was restricted to theoretic matters rather than to practical purposes. The theses of the two papers were contradictory in essence. The Dutch proposed, as a measure to strengthen the role of the Court of Justice, that all governments should accept the international jurisdiction of the Court, to introduce in all conventions and agreements a clause on arbitration with a provision that most disputes ought to be referred to the Court, to free the electi-



judges from all political considerations, change Article 34 of the Statute of the International Court so as to make it possible for international organizations to refer disputes to the Court as well. The Soviet proposal, on the whole, insisted that it was necessary to improve the confidence between states with different social and political systems if international law was to be usefully applied. In such circumstances, naturally, it was impossible to reach agreement on the resolution. In addition, the proposed solution demanded that all governments should accept the jurisdiction of the International Court without any reserves, although Article 36 Paragraphs 2 and 5 of the Court's Statute makes it possible for states to accept its jurisdiction with certain reserves. Since it was not clear which international organization were to enjoy the right to appear before the Court, by changing Article 34 of the Statute, and since it was demanded that states should unconditionally accept the jurisdiction of the Court, which was not in the spirit of Article 36 Paragraphs 2 and 5 of its Statute, the Yugoslav dele-

gation abstained from voting on this resolution.

Finally, a brief resolution on the rights of non-self-governing territories to administer their own affairs was accepted unanimously.

In the Economic-Social Commission which was headed by the Yugoslav delegate, all resolutions were passed unanimously. This Commission considered the following subjects: a) United Nations and development programmes in associations of municipalities, b) Youth and technical assistance, c) The position of refugees in the world and the role of the Federation in the international field and of the national association within their national boundaries with special reference to the problem of Chinese refugees in Hong Kong, and d) The Economic Commission for Europe.

At the end of the meeting, elections for the executives of the Federation took place. Roberto Ago, Professor of international law from Rome, was elected its president, and Adrian Pelt, former Director of the European Centre of the United Nations in Geneva, its Secretary General.

viously been monopolised by the feudal landlords and the new capitalist and professional classes.

The popular elements of the National Movements were not satisfied with the extension of posts and limited political rights to the wealthier classes. They demanded democratic rights and economic progress for the whole of the people. Thus, in India and in other colonial territories, mass Movements began for self-government, independence and the ending of economic exploitation.

These Movements became so powerful in Asian countries at the end of the last world war that their demands could no longer be resisted. We were fortunate in Britain to have a Labour Government which was dynamic in courage, because it reflected the post-war surge towards social change and freedom. The major responsibility for the recognition of the right of India to independence rested with its National Congress rather than with any generosity by Britain; but it was a happy historical coincidence that we had a Labour Government rather than a Conservative Government in 1947, because Sir Winston Churchill would not have extended political freedom to India and the other Asian territories.

It was not only the British colonies of India, Pakistan, Ceylon and Burma which gained their political liberty. With less willingness, the Netherlands withdrew from Indonesia and France from Indo-China. Meanwhile, the Communist revolution swept over China. With the recent recognition of independence in Malaya, the whole Asian continent is practically self-governing.

The liquidation of the British Empire is indicated by the fact that ten years ago the population in its non self-governing territories numbered 500,000,000. Today they number only 80,000,000 and within a few years Nigeria, the largest remaining colony with a population of 30,000,000, and the West Indies will also become independent. There is nothing which can stop the advance of subject peoples to political freedom.

Nevertheless, there are two groups of colonial territories which will still have to face a stern struggle before political liberty is gained. The first consists of countries which are regarded as a military strategic value. This is why self-determination has been refused to Cyprus. The people of the island are more fully educated than many of the Asian countries which have gained independence. They belong to the European tradition. They are indeniably capable of efficient self-government. The only reason why they have been denied political freedom is the view of Britain's military leaders that the island is necessary for what is termed "Western Defence".

Incidentally, it is ironical that Western arms, which are alleged to be for the purpose of maintaining democracy and liberty in the world, should be made the excuse for denying democracy and liberty to the people of Cyprus and of other strategic areas. Aden, Singapore and Hong Kong come within this category.

If there are now more hopes of a solution to the problem of Cyprus, this arises from the fact that in Britain's new "Defence" policy the island appears to be less important for military strategy.

## LETTER FROM ABROAD

### SOCIAL AND ECONOMIC LIBERATION OF COLONIES

Fenner BROCKWAY

Chairman of the Movement for Colonial Freedom

BEFORE the First World War I worked in Manchester. It is a blackened industrial centre and I lived as far from it as I could. I found lodgings in a little village on the border of the Derbyshire Hills. The terrace of cottages was known as Red Row, not for any political significance (!) but because they were built in red brick, very ugly in construction.

These cottages were first erected to house children of eight and nine years of age, who were hired from the Poor Law Authorities to work in one of Britain's first cotton mills. The ruins of the mill still remain in the valley. By the river under a wooded slope there was the mansion of the first mill owner, beautifully situated in parkland.

I sometimes say that this village of Melton was the origin of British Imperialism. Why? For three reasons.

The mills which accompanied the British Industrial Revolution at the beginning of the last century required raw cotton. Territories in Asia and Africa were sought to provide it. The easy production of cotton goods created a market, which the poverty-stricken population of Britain could not meet. Territories were sought in distant parts of the world to provide the market. The mill owners became rich and desired opportunities to invest their surplus capital at high returns. They found them in the underdeveloped territories of the new continents.

It was under the urge of these three economic motives that imperialism spread during the nineteenth century. As the Industrial Revolution expanded to the countries of Western Europe, their Governments similarly sought territories abroad. By the end of the nineteenth century, practically the whole continent of Africa had become possessed by European powers. The competition for these territories almost led to war between Britain and France at the turn of the century and was a major contribution to the war between Britain and Germany in 1914.

In the early days of imperialism, there was no thought of the political, economic and human rights of the peoples in the colonial territories. Inevitably Movements arose among them to demand a part in administration and government. In the early stages, these Movements were led by the richer classes, who had often had the advantage of education in Britain or Germany. Their demands were moderate; they asked only for some share in the administration so that their education might not be wasted and some prospects of political status and prestige.

In course of time, however, the demand for political rights and economic improvement spread among the workers in the new industries which were being established and among the peasant populations. The classical example of these was in India, where at the end of the 1920's the workers and peasants swept into the National Congress, which had pre-



There is some indication that in Kenya the settlers are beginning to bow to the inevitable, though it is doubtful whether they will be prepared to make sufficient

This is an illustration of the general economic pattern of the colonial territories. Kenya, for example, pours its coffee, sisal and fruit into Britain. If we had been thinking of planning an economy in the interests of the people of Kenya, we should have established light industries, manned by Africans, to process the coffee, to make fibre from the

The Gesira Scheme in the Sudan (which 1,000,000 acres of arid land have been converted to fruitful soil in forty years, every penny of foreign investment has been repaid, and where now the entire ownership is co-operatively shared between the people and the Sudanese Government) is an example of what could be done. There has been



revolution' in the condition of the  
In 1938 their average income was  
Sterling 30 a year; last it was Pounds  
600. In addition, Pounds Sterling  
from the revenue of the scheme is  
each year in education and health  
could be the pattern for colonial de-  
velopment.

ly, the International Charter should  
in the scale of profits. At present the  
territories are competing for capital,  
capitalists are taking full advantage  
Some territories are applying the  
of no taxation of invested capital.

Others are making all kinds of concessions  
regarding sites, transport facilities and export  
privileges.

Territories with less natural advantages  
fail to get capital they need because of the  
higher returns attainable elsewhere. For exam-  
ple, foreign investments in the copper mines  
of Northern Rhodesia actually extract one-  
third of the total wealth of that colony each  
year in profit, dividend and interest. Nearby  
Kenya, where there are no mineral resources,  
but whose need is just as great, cannot com-  
pete with these high returns. There must be

an equalisation of capitalist advantages for  
all colonial territories.

Imperialism in its modern form arose from  
the birth of capitalism. It will be ended  
only by the birth of Socialism. The progress  
of colonial peoples towards political freedom  
can be concluded only by their social and  
economic emancipation. In each colonial ter-  
ritory leadership of the National Movements  
is turning in a social direction. It is the duty  
of European socialists to prove their solidari-  
ty with the colonial peoples and to help  
them towards our common socialist achieve-  
ment.

## WS AND OPINIONS

# PROBLEM OF THE UNDEVELOPED COUNTRIES (V)

Dr Slobodan BRANKOVIĆ

*This number contains the fifth continuation of the  
article by S. Branković on the underdeveloped countries.  
This chapter was opened in the previous issue under the  
heading: "Fundamental Aspects" of Coordination of Develop-  
ment of the Backward Countries".*

THE DISCUSSIONS conducted after World War II on the  
question of coordinating the development of the economies  
of backward countries were often associated with the problems  
endangering the world economy. The awareness of the fact that  
movement of the economic position of the underdeveloped  
countries was impossible without an accelerated rate of industriali-  
zation gradually became widespread so that now there is no serious  
economist or theoretician who would deny this. Also evident is  
that an acceleration of the development of the underdeve-  
loped countries is impossible without planning and without pre-  
ferred government intervention. On the other hand, the coordi-  
nation of the world economy is often interpreted as being the aim  
which should and can be supplemented by private capital which  
under traditional principles, pass from the developed countries  
to the underdeveloped.

## PROCESS OF COORDINATION OF ECONOMY AND FOREIGN CAPITAL

THE QUESTION of the possibility of foreign private capital to  
help energize and accelerate the development of backward  
countries was very often dealt with during the first few years after  
the war. Now also, it is the subject of varied deliberations, and dis-  
sentiments as well. A number of authors have elaborated theories sup-  
porting the view that conditions for a more extensive international  
movement of private capital can again be carried out. Therefore,  
the actions are recommended on the national and international  
level designed to eliminate the barriers thwarting the movement of  
private capital. Here, there is often a tendency towards a re-esta-  
blishment of economic and political relations on the same (or at least  
the same) bases which existed in the past. The incessant conflicts of  
theories with the reality, however, gradually contribute to bring-  
ing new light in the problem. Many factors imply that the general  
conditions have changed to such an extent that new solution must be  
sought as well.

During the last few decades there was often talk of the dis-  
tortion and even of the "distorted" course of the international  
movement of capital. However, the different interpretations of the  
causes and causes were very contradictory. These are most likely  
causes noticed even now and which call for an analysis without  
prejudice. The export of capital from the industrially developed coun-

tries reached its peak prior to World War I. Economic expansion in  
the years preceding the Great World Crisis helped increase the spread-  
ing of foreign capital in the backward countries. However, behind the  
crisis a very marked "disorder" ensued in the international move-  
ment of capital. The slump in the uniform world financial system  
based on the gold standard and general convertibility of currency  
aroused very far-reaching consequences. This was the beginning of  
the longterm crisis of international financing and crediting along  
with the liquidation of many foreign investments. Herein, a pronoun-  
ced tendency of "escape" of capital to the countries providing the  
greatest security (USA, Switzerland) was noted. The war danger  
somewhat intensified these tendencies. President Roosevelt spoke in  
1936 about "hot money" which seeks shelter. The renowned Ameri-  
can banks concentrated masses of money and gold from nearly all  
parts of the world and even from the underdeveloped countries.

Private capital ceased fulfilling the function of independent  
and automatic coordinating of economic development after the  
1929-1933 crisis even in the developed countries. The immediate  
consequence was the longterm depression and stagnation, insufficient uti-  
lization of economic sources, unutilized industrial capacities, grave  
unemployment. Suffice it to say that in the USA alone, in 1938,  
there were about 10 million jobless workers, official statistics say.  
This made the most farsighted statesmen to pledge themselves, when  
the United Nations Organization was being set up, to insert some  
of the fundamental principles in the Charter, as: full employment,  
expansion of international economic cooperation, etc. The Bretton-  
Woods Conference stressed the need for seeking a way for some  
sort of control over the international movement of capital.

The promotion of the full employment policy within the de-  
veloped countries implied that more or less extensive planned control  
of capital was required. This economic policy was associated with  
the process of a certain socialization of accumulation in the de-  
veloped capitalist countries (revenues, credit control, etc.) and of  
some sort of planned directing. The control and directing of the  
movement of longterm capital funds from the developed countries  
passed the national borders only in a relatively small measure. Be-  
sides, these were mostly uncoordinated actions subjected solely to  
the interests of different countries which invested the longterm funds.  
A typical example were the public investments of some European  
countries in their overseas possessions. Economic aid to the under-  
developed countries was often subjected to political interests and  
military-strategic reasons. Although the need for coordinated action  
and international supervision over the rational distribution of  
longterm investment funds had become steadily more evident, nothing  
has in fact been done about it.

In the 1946-1955 period the volume of American capital rose  
from 18.7 billion to 44.9 billion dollars, as American official sta-



tistics, reveal. This increase of American investments abroad gives rise to certain interpretations that a re-expansion of American capital towards other less developed areas has been effected. The structure of these investments, however, does not provide a justification for such optimism. If the loans of USA government institutions amounting to about 15.9 billion dollars are deducted from the total sum of American foreign capital, the private American investments abroad were about 29 billion dollars at the end of 1955. The same year saw foreign capital in the USA amounting to about 29.6 billion dollars. Foreign capital kept pouring into the USA all during the years following the war. Irrespective of the foreign American investments, it even exceeded the volume of American private capital. A further study of the structure of the international movement of American capital reveals a still more obvious disproportion. Of the total sum of 29 billion dollars of American private capital abroad at the end of 1955, about 16 billion dollars or about 55% was in Canada and in the western European countries. The bulk of American private capital in the years following the war went to the developed and not to the underdeveloped countries.<sup>1)</sup> Bearing in mind that a substantial portion of American private capital went to the Latin American countries (about 8.2 billion dollars, mostly in the petroleum industry), the American private capital invested in all the other underdeveloped areas amounted to about 4 billion dollars, or about 13.8% of the total American private investments abroad. The smallest portion of American private investments actually went to these areas which needed longterm investment funds the most.

Data on the volume of capital from different backward countries invested in the USA, are not reliable. Some American professional magazines give certain considerations and assessments of foreign capital in the USA. This money is not controlled nor is it registered by any statistics. However, it is very likely that the structure of the capital from the backward countries invested abroad differs considerably from that coming from the western European countries. The total USA investments in the western European countries at the end of 1955 amounted to 15 billion dollars, as American official data show, while investments from western Europe in the USA amount to about 15.6 billion dollars. These figures included 4.6 billion dollar as longterm American private capital and about 8.5 billion dollars as longterm investments of western European countries in the USA. The major portion of private capital from the western European countries was on a longterm basis. This portion even exceeded the American longterm private capital in these countries. Although these data are also proof of the character of the "distorted" international movement of private capital the picture becomes more drastic if the structure of the deposits of the private capital from the backward areas in the USA is considered. American statistics reveal that the sum of foreign investments in the USA from the Latin American countries, possessions of the western European countries and from other underdeveloped areas was about 6.5 billion dollars at the end of 1955. Of this sum 1.4 billions dollars were longterm investments. The other deposits include short-term claims which bear a very low rate of income

An analysis of the international movement of private capital in the present conditions shows that the influence of ex-economic factors were of special significance, as well as that the "profit motive" does not play the role it had in the past. This explains the concentration of short-term claims in the countries providing the great security (in the USA the short-term claims of foreign subjects amounted to about 17 billion dollars at the end of 1955 (official statistics have revealed) and the extra difference in the income rate from investments. The incomes of American investments abroad amounted to nearly 3.4 billion dollars in 1955. American private investments brought about 2.3 billion dollars income in the same year which was about 10% of the invested capital. The income from American direct foreign private investments amounted to an average of 14.7% in 1955 and from the same investments in the petroleum industry it exceeded 20%. On the other hand, foreign capital invested in the USA gave a total of about 641 million dollars of income, which represented about 2% of the invested capital. The high funds of potential accumulation in the present conditions are sterilized and do not contribute to a coordinated development of the country from which they came nor do they coordinate the development of the world economy.

<sup>1)</sup> Of the total loans amounting to about 3 billion dollars from the International Bank for Reconstruction and Development, only 1/3 was allotted to the underdeveloped countries.

To all this should be added the fact that foreign capital from any of the developed countries did not exceed or even reach the sum of income they had from the existing foreign investments.<sup>2</sup> This is another factor aggravating the problems of international payment, the dollar problem in particular. The entire postwar development shows that the hopes of some people that the needs of the developed countries for capital will, in time, be met and that a new wave of investments towards the backward countries will occur, were not fulfilled. The causes for the disproportional international movement of capital are, in fact, much deeper than could be expected on the basis of superficial reasoning. They originate in the present structural disproportions in the world economy, in the economic and political instability the solution of which demands radical changes. Also to be observed is the fact that the state capitalist organization has enabled the absorption of more extensive funds within the developed countries themselves, so that the "surplus" accumulation does not necessarily have to be invested abroad. The rational character of such a direction of development is another question. It is a fact that many developed countries are pressing certain economic branches (including production of certain raw material as well) for which the conditions in some of the underdeveloped countries are far more favourable.

A sound consideration of the facts shows that the logic of experience acquired in the period after World War II in connection with the international movement of capital implies that the forms to date have proved to be quite inadequate and too limited for a solution of such significant problems as is the acceleration of the development of the underdeveloped countries and the coordination of the world economy. The systems of state guarantees to private capital (by the countries exporting and importing capital) which have in recent years been pressing some of the most developed countries, can perhaps lead to a more extensive flow of capital to some of the backward countries. But this does not at all mean, either that their volume will be sufficient, or that they will follow the most rational directions. Private capital can hardly be expected to help, to any greater measure, the construction of the so-called industrial infrastructure (ports, communications, energy sources, etc.) this being the most urgent need of the underdeveloped countries. Foreign capital looks upon such investments as extremely longterm investments, as branches now subjected to government control, and which yield profit mostly in unstable currency.

The urgent need for certain international control and coordination of the movement of longterm investment funds is one of the most important demands of today. For the present hope can only be nurtured that such control and coordination will be conducted together with a depoliticization and demilitarization of aid to the underdeveloped countries, as well as by the expansion of economic aid. These are certainly the aims which will find support from all conscious builders of better future.

#### THE ROLE OF PLANNING AND ADMINISTRATIVE MEASURE

DISCUSSIONS on the need, tasks and various forms of planning have been held all over the world during last few decades. There is no industrially developed country today in which some sort of planned regulation and direction is not conducted in some form or other, to a greater or lesser extent. Likewise, a number of underdeveloped countries has adopted planning as the only possibility for the implementation of the structural reorganization of its economy

American Private Investments and Incomes from Existing Investments (1945-1953, in 000,000 dollars)

	American private foreign longterm investments	Income from American private longterm foreign capital	Total entries of funds in USA
1945	454	569	115
1946	59	784	725
1947	810	1,070	260
1948	748	1,260	512
1949	796	1,296	500
1950	1,168	1,624	456
1951	963	1,789	826
1952	831	1,615	784
1953	517	1,649	1,132



If the experiences to date were to be summarized, the conclusion would be reached that the elimination of the structural disproportion in the economy of an underdeveloped country is a very complicated and strenuous process. The initial rapid rate of industrialization substantially denies the disorderly action of the market laws, whose character issues from the subjugated position of unilateral economies of the underdeveloped countries in the world economy. The liberalist economic policy does not provide to an underdeveloped country any realistic possibilities for the promotion of a rapid industrialization with a view to eliminating the structural economic disproportions, especially if it is to be done without any more extensive help from outside. The transformation of the economy of an underdeveloped country, therefore, is necessary in the contemporary conditions with the premeditated rectification of the existing proportions which can be effectively conducted only under a ramified system of planning and by the use of numerous administrative mechanisms.

We do not mean to set out here all those complicated problems which are associated with the forms and methods of planning in the underdeveloped countries. Experiences in planning are already extensive and their constant study, along with a constructive exchange of experiences, can contribute much to the perfection of the forms and mechanisms of planned regulation and directing in each individual country. However, certain experiences of principle, which were noted only in recent years, are specially interesting.

The necessity to make radical changes in the structure of the economy of the underdeveloped countries imposes the need for a rather comprehensive system of planning and less flexible forms of administrative steps than in the developed countries, which have at least a relatively coordinated economy. With increased government intervention, the danger of bureaucratic tendencies became manifest in the industrially developed countries as well. There are many effective reasons for this danger to be still greater in the backward countries, especially if it is not noticed on time. The radical change in the structure of economy cannot be imagined without an extensive exclusion of accumulation and its directing to entirely new economic branches. Reliance on subjective appraisals in that case are inevitable.

The lack of general economic knowledge and experience, inclusion of new personnel in the economic mechanism, etc. should be added to this. The largescale reorganization of economy cannot be carried out in our country. The experiences gained in Yugoslavia also imply certain efforts must, in that case, create foundations for action of new market laws through the process of coordinating the national economy and changing the position in the world economy.

The system of workers selfmanagement and social management has successfully opposed the strengthening of bureaucratic trends in our country. The experiences gained in Yugoslavia also imply certain conclusion which can be of broad interest. As the processes of coordination of the economy reached a certain degree, the system of planning and its limitation was reorganized, administrative measures were gradually removed, and a switchover to the free market economy was made. This, in fact, started the process of liberalization of our economy which is to expand more and more in the altered conditions. In view of the general course of our development, it is not by chance that the conclusion was reached that the foundations of the process of liberalization of the economy and democratization of the social life must be sought in the reorganization of the social and economic system and workers management underlying it. This is actually the only road which provides realistic foundations for longterm progress and democratization on stable foundation. The mechanisms of qualitatively new intervention of the socialist state had to be adjusted to these demands also.

The dynamics of the process of development, therefore, affects the change in the volume, role and character of planning and administrative measures. On the basis of Yugoslavia's experiences the conclusion is reached that the process of coordinating the economy helps, at a certain level of development, more liberal action of the market laws and more allround activity and individual initiative. In the practical economic policy and construction of new economic projects, the perspectives of a more liberal market must be kept in mind in the period of extensive administrative measures. On this will largely depend the rationality of investing capital.

## PERSONALITIES AND POLITICS

# LITTLE ROCK

Little Rock and Arkansas are not Atlanta and Georgia of Scarlet O'Hara's times; almost a century has passed since the Secession War, and in all history textbooks in America and in the rest of the world Abraham Lincoln wears the halo of immortality. Europe, which had long been forced into a state of resignation by the dynamics of the New World's industrial civilization, was a few days ago startled and confused by a sudden realization that certain old times had not gone with the wind. Although it had become used to antagonisms of all kinds and conflicts of all forms, Europe was bewildered for a moment in this era of television, artificial satellites and electronic machines, the wonderful creations of man's ingenuity: the question of joint school for White and Negro children has the country of Jefferson, Wilson and Roosevelt divided into two camps and caused an unbelievable racialistic delirium tremens in the States of the South. There are in that country phenomena which cannot be approved but which can be grasped. Europe, where, until yesterday so to say, people of a "lower race" wore yellow armbands and were sent to concentration camps or gallows, can hardly believe that in a country, which has worked out its own model of democracy and which has proclaimed its way of life as most perfect and most humane, human dignity could have been brought to so low a level that the colour of one's face is still the standard by which his values and rights are measured.

This is not an exaggeration, or a false report, or a derision, for what is involved is not an isolated band of extremists identical with the underground agents of Ku Klux Klan. The events in Little Rock have revealed,

in a dramatic way, how deep rooted in the South are the conceptions of ten or more decades ago, and there are no reasons why we should not believe the "New York Times" that the situation on the State of Arkansas threatens to plunge the "country into a catastrophe" or the "New York Herald Tribune" that the "country is experiencing one of the most serious crises in its history".

President Eisenhower's bold and symbolic decision to resort to a measure first used by George Washington between 1789 and 1792, i. e. to send Federal troops into Little Rock and to place the National Guard of Arkansas under the command of their commander, confirmed the seriousness of the situation, but it also encouraged all those who believe in the vitality of the American nation. This decision will perhaps be the epilogue to the events in Little Rock and the end of the atmosphere of lynch which was created in Arkansas by Governor Faubus, but, judging by all, the problem of segregation will remain on the agenda for a long time. Senator Russel of Georgia, who (thinking perhaps that there are people who still believe in Tertullian's "credo, quia absurdum est") has said that Eisenhower's action was the "copy of the methods prescribed in the handbook for the officers of Hitler's SS troops", but who in fact is for a policy similar to Hitler's "für Juden verboten", symbolically showed that there are no differences between today's (and yesterday's) Arkansas and yesterday's (and today's) Georgia, and that unfortunately the times of Scarlet O'Hara have not gone with the wind.



# IGNORING THE STATE TREATY

N. DUBRAVČIĆ

ON SEPTEMBER 10 the Austrian Government approved a draft law on schools in Carinthia. As it is being said officially, this draft law, which is to be submitted to the Parliament for consideration and approval, aims at a „democratic“ reform of schools in the southern parts of Carinthia. The Yugoslavs, being interested in the welfare of the Yugoslav minority in Austria, cannot remain indifferent towards the said draft law, because it in essence ignores the provisions of the Austrian State Treaty on the protection of national minorities. The Yugoslavs are anxious because the Austrian Government approved the draft law without consultations with representatives of the minorities, although Minister Figl had promised that nothing would be changed in school policy in Carinthia without the knowledge and consent of the minorities. Their anxiety is increased by the fact that the new law, although the Parliament has not considered it at all, is already being implemented on the ethnically mixed territories of Carinthia where instructions in Slovene are being abolished in all bilingual schools.

It is known to all that the Yugoslav national minority in Austria had been exposed to strong denationalization pressure in the past. For centuries it had been deprived of the right to equality, to free national, economic and cultural development. Its position was somewhat improved after the last war, when in 1945 the provincial authorities in Carinthia passed a decree establishing bilingual school in the mixed settlements of the province. This system of schools, which fully affirmed itself in the later years, was based on the principle that pupils, regardless of their nationality, should learn both languages used in the province — German and Slovene. At that time, representatives of both provincial and federal government approved the decree as an act which corrected the wrongs which had been done to the Yugoslav minority in the past. The then Foreign Minister, Dr. Grubber, said that the bilingual schools were an „example how the schooling of minorities should be regulated“.

The policy of bilingual schools, although the authorities were not too willing to extend the rights of the Yugoslav minority, marked some progress in relation to the earlier situation of discrimination. It was to end the methods of Germanization and create conditions for establishing mutual cooperation and equality of the two national groups in Southern Carinthia. Despite constant pressure from chauvinistic elements and various attempts to abolish minority rights, the Slovenes of Carinthia, being protected by the bilingual schools, were then in a position to use, at least partially, their mother tongue and to benefit by the right to national development.

Today, however, the Austrian authorities are evidently going against the policy of bilingual schools, thus making concessions to chauvinist groups which are against the rights of the Yugoslav minority. The new law on schools, in fact, provides for the abolishing of bilingual schools in Carinthia. Based on the principles of „parents' rights“, it allows the parents to decide which schools their children are to attend — Slovene or German. This, in Carinthia conditions which are still burdened by the political and psychological effects from the past, would deprive the Yugoslav national minority from its status of an equal ethnic group and restrict its rights considerably. As a result, no progress would be possible in establishing real equality between the national groups, and the Yugoslav minority would be in a worse position than in the period before the State Treaty was signed.

These measures are nothing but an attempt to revise, by special legislation, the provisions of the State Treaty, and they ignore the obligations which Austria undertook in relations to the Yugoslav national minority.

The State Treaty, in Article 7, clearly states that the minorities have the right to receive elementary education in their own languages, in this case Slovene and Croat, and to have a corresponding number of their own secondary schools. The new however, seeks to abolish school instructions in Slovene by bargaining among parents in a territory which is almost wholly inhabited by the Slovenes.

Furthermore, the State Treaty protects entire ethnic communities, not only in Carinthia, but also in Burgenland and Styria. The new law does not even mention Croats of Burgenland or the Slovenes of Styria. It obviously, tends to narrow an area in which the laws on minorities are applied and to free Austria from her obligations towards the Yugoslav minority in Burgenland and Styria.

The State Treaty also states that in Carinthia, Burgenland and Styria, i. e. provinces with a mixed population, there should be two official languages — German and Slovene (Croatian in Burgenland). Despite this, local law courts and federal organs are persistently refusing to recognize the language of the minorities. Apart from this, the Slovene inscriptions from minority organizations — in Klagenfurt for instance — are being forcefully removed.

The State Treaty finally prohibits the activity of the organizations which seek to deprive the Yugoslav ethnic group from its national character and minority rights. The Austrian authorities, however, tolerate anti-minority and chauvinist organizations, such as, for instance, the „Working Committee for Southern Carinthia“, and they do not take any steps to suppress the anti-Slovene campaign in one section of the press.

From the point of view of the treaty under which Austria regained her independence, the problem of securing the rights of the Yugoslav national minority cannot be a matter of any discussion or referendum. It is the duty of the Austrian Government to secure and protect these rights. The Yugoslavs expect, justly too, that the Vienna Parliament will act in accordance with Austria's obligations under the State Treaty and in harmony with the democratic Constitution of the country which guarantees the rights of the minorities. A just solution of the problem of the Yugoslav national minority would be a significant contribution to the development of good relations between the two neighbouring countries.

## UNFULFILLED EXPECTATIONS

ECONOMIC CONFERENCE OF LATIN-AMERICAN COUNTRIES

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THE COUNTRIES of Latin America expected that the Economic Conference of the Organization of American States which was held from August 15 to the beginning of September 1957 in Buenos Aires would conclude the process of regional linking up initiated on the military and political plane also in the domain of economy. As long as the creation of political and military ties was in question the initiative lay with the USA while the initiators of regional economic inter-connection were the countries of Latin America. The situation which crystallized in world economy during the past few years directly bears upon the economies of the Latin American countries which are extremely sensitive to all tendencies of the world market. They strove to create

such a mechanism of regional economic relations which will diminish the effect of sudden and drastic fluctuation of world market prices and ensure the durability of the results achieved in their economic development so far. In view of their economic potential the USA were expected to play the most important role. The significance which was attributed to the Conference can also be inferred from the number of participants. Apart from the 19 participant countries of Latin America — (the only absentee being Venezuela owing to the rupture of diplomatic relations with Argentina) — and the USA, eleven other countries sent observers, while the representatives of the World Bank, the International Monetary Fund and the UN Economic Commission for Latin America were



present. About 400 delegates took part in the Conference. The Conference was preceded by fairly extensive political and organizational preparations. The idea of convoking such a conference was advanced for the first time at a third consultative meeting of foreign ministers in Rio de Janeiro in 1942. The urgency of the solution of economic problems led forth by the war was stressed at the Inter-American Conference on problems of peace and peace in Mexico in 1945, and the results of the conference fixed. This conference did not take place, however. At the inter-American conference for the preservation of peace and security of the Western Hemisphere in Rio de Janeiro in 1947 at which the foundations of regional security were laid it was stressed that "the economic security which is indispensable for the progress of all American people will be the best guarantee of its political security and the success of the common efforts for the preservation of peace on the continent". The Inter-American Economic and Social Council was assigned the task of drafting the project of economic cooperation, submitting this draft to the IX Inter-American Conference in Bogota 1948 and convoking a special economic conference which should have been held in the second half of the same year. However the conference in Bogota terminated the political lining up of the American countries by adopting the Charter of the Organization of American states, while the economic conference was postponed, and the Economic and Social Council of the Organization of American states was designated to carry out the necessary preparations. The holding of an economic conference was only discussed at the X Inter-American Conference in Caracas in 1954 when an anticommunist resolution was brought. Probably to make a concession to the demand of the Latin American countries the USA consented to the convocation of a special meeting of an Inter-American Economic and Social Council at which the individual countries will be represented by the Ministers of Economy and Finance and which should precede the economic conference in Buenos Aires. The Declaration signed at the Panama Conference held July 21—22, 1956, which was attended by President Eisenhower and 18 presidents of the other American republics, urged a common inter-American effort in the quest for solutions for economic problems and raising the standard of living on the continent". The demand was also made at this conference that an inter-American institution be founded for the financing of economic development. This demand was opposed by the USA. Last an economic conference of the American states was held this year. While the chief factor of US foreign policy, took part in the conferences invested with a markedly political character, the new US Secretary of Finance Anderson who headed the delegation left this year's economic conference of the American states already after the first plenary session while the Chilean and Peruvian ministers of finance followed it. These phenomena indicated that the demands of the Latin American countries will not be fulfilled. Instead of adopting an obligatory agreement on the solution of the economic problems for which the La-

tin American countries were particularly concerned, the conference adjourned without reaching any concrete results by adopting a generalized declaration on the principles on which agreement of all delegations was reached and which will be applied "to the extent allowed by the respective laws and obligations" of the member countries. Consequently the Conference did not bring any new solutions owing to the resistance of the USA whose views also enjoyed the support of the representatives of the World Bank and International Monetary Fund. An unbridgeable gap obviously appeared at the conference between the views on the ways and means of promoting economic development and the economic policy of many Latin American countries was subjected to a severe criticism of the US representatives and above mentioned international institutions.

After World War II the countries of Latin America went through a phase of intensive economic development. These countries accumulated substantial resources during and after the war as they were major exporters of raw materials and foods for which there was strong demand in the USA and the countries of Western Europe. The deliveries were paid for primarily in gold and dollars and by the liquidation of foreign investments especially those British. Later on exports were bolstered by offshore purchases, US loans and investments. The prices of their basic export articles were relatively high until a few years ago. Although facilitating their economic development, the high export cycle did not last long enough to enable the improvement of their economic structure. The exports of the individual countries mostly consist of a few staple articles and are primarily oriented to the USA and Western Europe. The countries of Latin America account for only 10 per cent of their total exports. As the special, mainly non-economic factors which called forth the export boom weakened, the negative effects of trade between the economically under developed and industrially developed countries became all the more obvious. Their gold and dollar reserves increased from 1937 to the end of 1945 from one to 3.8 million dollars and remained on the same level until 1955 with big differences in this respect between the individual countries. The downward price tendency and the strong price fluctuations of their individual export articles gave rise to difficulties in their balance of payments and growth of inflationary pressure. Some countries attempted to resolve their foreign payments difficulties by the conclusion of special arrangements, — Argentina by the creation of the so-called Paris Club and Brazil by the creation of the Hague Club. Their domestic rate of capital formation is not only strained by the unfavourable price ratios of raw materials and food they export and the prices of industrial goods they import, but also the transfer of profits from private investments and the payment of foreign debts and repayment of loans to international institutions. The USA accounts for the largest part of these claims. The value of US investments rose to 9 billion dollars. As from September 1955 the Argentine debts with 11 European countries amounted to 500 million dollars, while Brazil owed about 600 million dollars to the US Export-

Import Bank alone. The altered situation on the export market of the Latin American countries gave rise to the problem of a guaranteed market and the regulation of the terms of trade. The demand for a guaranteed market is acquiring an ever greater significance owing to the growing protectionist tendencies within the Commonwealth and the fear that the creation of a common European market will narrow and hamper the sales possibilities of their goods on the world market. Apart from this, the US policy of selling their farm surpluses also affected some of these countries. Faced with such prospect, the Chilean delegation already previously appeared with the proposal to create a common American market including the USA and establish a special bank or fund for the financing of their development projects and which would also take the terms of trade in account. The negative aspects of private investments were stressed at this year's conference and attention called to the fact that the profit transfer from the existing investments actually exceeds the inflow of fresh private capital. Apart from this private capital requires certain privileges which are contrary to the actual systems in the respective countries. While the Latin American countries which often absorb one third of the total of private investment are subject to the provisions of domestic legislation, the USA contended that it should only be subject to the provisions of international law; nonetheless the USA recognized the right of every country to nationalize foreign property but demanded "a just and corresponding compensation without delay". In the US opinion if a country wishes a stronger inflow of foreign capital they should fight for it and create such conditions which will attract it. The US delegates and the representatives of the international institutions stressed the unprofitability of public enterprises — railways, electric power stations etc. whose operations regularly result in a deficit which strains the state budget instead of being a source of capital formation. These statements indirectly denounced government intervention in economy. Attention was also called on the US side to the large defence outlay in the individual Latin American countries which often absorb one third of budget expenditure. In the American opinion there are enough institutions which deal in international financing and there is no need to create new ones. The USA do not wish to embark on any new international arrangements for the stabilisation of food and raw materials prices. The US attitude could easily have been defined as interference in the internal affairs of the Latin American countries.

The intransigent attitude of the US representatives at the conference with regard to the creation of a common inter-American market, special inter-American development fund or bank, and the status and significance attributed to private capital thwarted the hopes of the Latin American countries at this conference. All these important schemes failed to meet with the necessary understanding of the most important partner. The solution of such a situation was found by the adoption of an economic Declaration which urges the increase of trade among the Latin American countries themselves and between the



"latter" and other countries on the basis of mutual profitability benefit, the reduction of foreign trade restrictions, international co-operation by means of consultations between the governments or other means with regard to the unwarranted fluctuations of raw materials prices, the adoption of measures which will make capital more easily available, the intensification of efforts to increase the inflow of investment capital in the Latin American countries. It was likewise proposed that the efforts be continued to achieve a sound financial and monetary system, conclude agreements which will facilitate transit in those countries who do not have a sea outlet, more efficient cooperation in the field of technical assistance, the promotion of the US Economic and Social Council thus enabling

it to become a more efficient organ in the solution of economic problems of the American states, the development of additional funds for the promotion of traffic and connections. In its preamble the Declaration of the Conference endorsed the efforts and proposals of the Economic Commission for Latin America to create a common market of the countries of Latin America. A stronger economic development of the Latin American countries requires a broader market, especially the development of the base industry and a higher rate of capital formation than is warranted by the individual countries. This was the only concession achieved by the Latin American countries in their demands for the ensuring of their future economic development.

## CRISIS ENDED IN LAOS AND CAMBODIA

M. MALIC

TOWARDS the end of last century, the German Chancellor, Bismarck, said: "Politics are the privilege of the mighty". Certain strategists and politicians of the Great Powers still seem to believe this, as has been shown by the events in two Indo-Chinese states — Cambodia and Laos — in the last few months. These two countries, when they won their independence in 1954 (after the Geneva Conference), firmly resolved to pursue an independent policy. In this they had the support of India, Burma and Indonesia, as well as the full understanding of such neighbours as China and North Vietnam.

Their policy, however, conflicted with the strategic and political plans of those powers in Asia which opposed the aspirations of the Asian peoples in general. A large majority of countries in Asia at that time endeavoured to consolidate their independence by implementing the principles of a non-bloc, "neutral" foreign policy.

SEATO was organized immediately after the Geneva Conference. Formally and publicly, SEATO is an anti-communist organization designed to suppress the spreading of China's influence in Asia. But owing to the tendency of the Asian countries to pursue non-bloc and peaceful policies, and to the existing relations of the forces in Asia, SEATO in essence and practice is also an anti-neutralist organization because its activities have been directed against those countries of Southeastern Asia which want to remain independent. Most of the originally "planned" member countries refused to join SEATO; what is more, the influence of their non-bloc policy began to spread in the countries which are its members or under its protection. By now the anti-SEATO movements have assumed great proportions, particularly in Thailand and the Philippines. Demonstrations against SEATO's policy and against the American bases have become very frequent in the streets of Bangkok, Saigon, Manila and other towns. All this has caused politicians in the Western countries, a great deal of anxiety, particularly in the United States. The American press, public and many

prominent politicians now wonder why waves of "anti-Americanism" have appeared in these countries, although the Washington government is granting them many millions of dollars in military and economic aid.

In March of this year, serious students of Asian affairs were not at all surprised by the news that Dulles himself was to attend to meeting of the SEATO Council in Canberra, while Britain and France were to send representatives of lower rank.

One of the most important conclusions came to at the meeting in Canberra was that it was necessary for all member states to take energetic steps against Asian "neutrality", since this neutrality was a "bridge" for the spreading of communism. The decision taken in Canberra was a blow, primarily to Cambodia and Laos, whose strategic position is of great importance to SEATO's policy, since the most suitable approach to China leads through their territories. Afterwards these two countries were subjected to systematic pressure for several months, the pro-SEATO press in Thailand, the Philippines and South Vietnam having organized a whole campaign against their "neutrality". Groups of agents, were infiltrated into these countries from Thailand and South Vietnam and, according to press reports, Cambodian emigres in Thailand formed an organization called "Free Cambodia", whose aim was to overthrow the legal order in Cambodia. Incidents were organized on the frontiers of Laos and Cambodia, and SEATO manoeuvres took place in their vicinity, so as to create an atmosphere of insecurity. At the end of March the Western powers sent notes to Laos. They demanded that it should renounce its agreement with Patet Lao on the unification of the country and on the formation of a coalition government, as well as stop accepting economic assistance from China and the Soviet Union. Similar pressure was exerted on Cambodia. The aim of all this was to overthrow the governments of these countries, to bring to power "more moderate elements with whom understanding would be easier". The two countries then found themselves in a very difficult situation. At the

end of March, the Cambodian government of San Jona fell. A new government was formed by Prince Sihanuk, but he, too, signed on June 21. In Laos the government of Prince Suvana Fume, one of the most ardent advocates of the policy of non-alignment and the reunification of the country, also fell. In Cambodia the government crisis lasted for fifty days, but, owing to the authority and popularity of Prince Sihanuk, who pursued a reasonable policy, it did not produce any serious consequences. He resigned in order to avoid direct pressure from abroad, but he did not loosen his grip on the country's policy, and when it seemed that the pressure from abroad would be successful, he launched a counterattack. Demonstrations against foreign interference took place all over the country. The people demanded Sihanuk's return and the continuation of the policy of neutrality and independence, and although Prince Sihanuk, owing to failing health, had to withdraw temporarily from the active scene, a new government was formed by people loyal to the principles of his policy.

As far as Laos is concerned, the situation is much more complicated. The government crisis, which lasted two months, brought the country to the brink of a new civil war. In order to explain the situation in the country, we shall have to go further back. Until the Geneva Conference, the Patet Lao movement conducted a liberation struggle against the French colonial authorities, capturing from the almost two-thirds of the country. Consequently the country was partitioned at the Geneva Conference in 1954: the larger part remained under the control of the royal government and the rest under the Patet Lao movement. This arrangement was to remain in force until the general election, which was to be held after the conference. However, this election did not take place because the royal government, headed by the pro-American politician, Kat Sasorit, sought to destroy the Patet Lao movement, and so, in spite of the truce, armed conflicts often took place. At the beginning of 1956 Kat, contrary to the Geneva agreement, conducted elections only in the part of the country under the control of the royal government, hoping that a parliamentary majority would enable him to join SEATO. But the elections brought an unpleasant surprise for him. A large number of deputies who were either supporters of the Patet Lao movement, or in favour of negotiations with it. Accordingly, at the first session of the new parliament, the government failed to obtain a vote of confidence. A new government was then formed under the leadership of Prince Suvan Fume, brother of the leader of the Patet Lao movement to whom the prince had himself longed earlier. In December last year his government concluded an agreement with Patet Lao on the unification of the country and the formation of a coalition government. Immediately afterwards, the Western powers, and their supporters in Laos, launched a strong campaign against this agreement, endeavouring to prevent its implementation. After the Canberra meeting of the SEATO Council, this campaign was intensified. Finally, it led to the downfall of Suvan Fume. American diplomacy tried to install Kat Sasorit in power again.



chieve this, pressure was exerted on members of parliament, and there were, also cases of bribery. During the two months long crisis, Katai several times tried to form a government, but without success. And there was danger of a new civil war in the country. In these critical moments, Prince Suvanume again formed a government. His policy was fully supported by the followers of the Patet Lao movement and by most other members of parliament and this was very significant. During the crisis, the Western powers sought to secure the support of Prince Satsarat, eldest brother of Prince Suvanume (leader of the Patet Lao movement). Satsarat then lived in Thailand. However, he refused to cooperate with Katai and his foreign protectors. He returned home and backed up the policy of Suvanume, and so helped to ease the situation in the country. As a result, almost all the national groups rallied around Suvanume and his policy, and the plans to force Laos

to renounce its independence and its non-bloc policy failed.

Thus ended the government crisis in Laos and Cambodia, which, among other things, showed that:

this crisis was not caused by internal differences between individual groups, parties or organizations, or by economic upheavals and difficulties, but by foreign interference in internal affairs;

foreign interference in the home affairs of Laos and Cambodia caused dissatisfaction, not only in the two countries, concerned, but also in other Asian countries, particularly in India, Burma and Indonesia, whose policy of peaceful coexistence was also the subject of attack by SEATO and its member states;

although SEATO's policy in Indo-China was — directly or indirectly — aimed against China, this great Asian socialist country again retained its calmness, refraining from interfering in the complications in Laos and Cambodia, and leaving their people and governments to solve their own affairs. Natu-

rally, China's moral and political support to Laos and Cambodia (without interfering in their affairs or exerting any pressure on them), as well as economic assistance (although herself in a period of economic development) was of great significance, and it considerably helped them to oppose the pressure from abroad with such energy. The Indo-Chinese states valued highly the support and assistance of China, because China did not demand any concession from them in return. On the other hand, it is in the interest of China to have peaceful neighbours such as Cambodia and Laos;

The support given to the Indo-Chinese states by India, China and other peaceful countries of Asia is a factor helping them to preserve their independence, a factor which will have to be taken into account by SEATO's policy makers in the future.

Finally, Cambodia and Laos do not want to be drawn into any bloc arrangements within SEATO; they want to remain neutral and independent.

## YUGOSLAVIA TODAY

# SOCIAL THEORY IN YUGOSLAVIA (II)

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BEING based on this fundamental view of history, and endeavouring to implement it in individual processes and forms of social life and order, within the limits of its own country, Yugoslav social theory has emphasized, determined, affirmed, developed and even discovered certain tenets which may be of wider and even general significance for social and political science, and particularly for the theory and practice of socialism.

In the first place it is necessary to consider the conception of "socialism" or "socialist social order". There are different definitions of socialism, but one of them has for a long time represented an accepted dogma even in the movements which are inspired by socialism, by Marxism. Under this definition, the essential thing for socialism is the nationalization of capitalist property and the more or less successful development of industrial potential under the leadership of centralized state machinery. Guided by this conception, Stalin developed a theory of state ownership of the means of production as complete social ownership and the foundation of a socialist society. Yugoslav social theory, contrary to this dogmatic conception which, in definite historical conditions, makes the necessary first forms of socialized means of production absolute, insists in a longer process of socialization of the means of production, in which a higher form of ownership relations, the so called "social ownership" appears. In principle, the difference between state and social ownership is that the first retains the ownership rights, public ownership rights, i. e., the state retains the monopoly in the management of economy and thus also in the distribution of social income, while social ownership means the abolition of the ownership monopoly and so deprives the state, although it is the most "faithful" representative of the socialist collectivity, of absolute rights in the management of economy and in the distribution of social products.

## WORKERS, SELF-MANAGEMENT

The organization form of this new stage of the socialized means of production is the independent economic enterprise with workers'

selfmanagement. Workers' self-management, which was introduced in Yugoslav industry, commerce, transport and a part of agriculture, in 1950, is not the discovery of Yugoslav social theory. But its implementations, though still initial and imperfect has made it possible to enrich and develop the theory of industrial or economic democracy. Apart from this, workers, self-government has become the condition and criterion in the implementation of the direct, let us say, socialist process of socializing the means of production. From the point of view of law, this socialist character is revealed by the active participation of producers, not only in the economic and social management of enterprises, but also in the requisition (personal and collective) of a definite part of the product of the enterprises. The latter is still in its initial phase. Important for the new democratic essence of workers' self-management is the more or less independent determination of workers' earnings, the creation of funds for independent disposal of the enterprises, as well as the direct political representation of producers in representative organs (council of producers in people's assemblies and people's committees) and in the so-called communal system, in which the self-governing municipality, on the basis of social self-government, enables the producers and consumers to take a direct part in the distribution of social funds which are used for the raising of the social standard of the citizens.

In connection with this, it must be emphasized that the Yugoslav idea of the commune is not new in as far as it affects local self-government in the fundamental social and economic units. But it is new in one way: the commune appears as a factor which, under conditions of planned economic and administrative decentralization and de-etatisation, enables the free progress of the process of socializing the means of production and of affirming social ownership as a new legal institution and form of social relations.

The conception of the foundations of such a socialist system, has given rise to other tenets as well. For a socialist society it is necessary to see that production functions for the benefit of people as much as possible, and for the needs of the working man, to remove the sources of exploitation and subjection of man, to establish man the chief motive force of society and its organizations.



„Under the conditions of socialized means of production, creative force is only the conscious working will of the individual which springs from his own personal and moral interest”.<sup>1</sup> This tenet, expressed, powerfully and boldly, in Edvard Kardelj's works, has freed socialist theory from a number of dogmas and limitations that threatened to divide it from the general democratic and humane social thought movement in which it originated and which it can only serve. It has become the foundation of completely new conceptions of the role of state in socialism, of planning, of collectivization of agriculture, and generally of the relationships between so-called subjective and conscious forces, on the one hand, and the validity of social legality and certain elementary, spontaneous processes in the different phases of socialist development on the other.

## III

**B**OTH the socialist theory of society and the social sciences in general have until recently been influenced by the belief that the state should play a decisive role in the development of society and that centralized and administrative planning was of an absolutely progressive and socialist character. The myth of etatism and comprehensive planning, however, contrary to the already emphasized dialectical and philosophic conception of history and truth, has been replaced in the Yugoslav theory of society by the principle of the necessity for the de-etatization of the socialist state and for the reduction of economic planning to the planning of only „fundamental proportions” — with a guarantee of the self-government of the working people in the basic cells of economy.

These new conceptions, naturally, have also necessitated a revision of the earlier view that the so-called subjective leading forces played an absolute role in the development of the socialist society. Etatism, state ownership and centralized planning are all based on the exaltation of the absolute and infallible role of leading political force in the socialist society which appears as the „master” and „ruler” of social relations and objective social laws. The theory of society in Yugoslavia has shown — with the assistance of reality — that such views are not only contrary to the science of social relations, but that they inevitably lead to economic stagnation, to the growth of bureaucratism and political despotism among certain groups of people separated from the masses.

In view of these conceptions, another tenet of the theory of society in Yugoslavia is of special importance. This concerns the problem of socialist democracy. Socialism requires democracy, and it cannot be divorced from it. The theory of the political system in socialism is one of the most important achievements of political science in Yugoslavia, and its most important contribution to the social sciences. Of particular importance is the view that socialist democracy does not grow autonomically on the basis of the socialized means of production and the leading role of the working class in government. Socialist democracy which began developing on the basis of the bourgeois society corresponded to it (although certain forms of this society the parliamentary system and the multi-party system — cannot admit of progressive socialist forces playing a more or less a decisive role in definite historical conditions of individual countries). Socialist democracy does spring up on the basis of the socialized means of production, and corresponds to new social relations, but it must be a political system with its own democratic mechanism. It must not be merely a reflection of the organization of the working class, no matter how democratic it may be, nor the reflection of a progressive economic policy. Socialist democracy is not a substitute for either party rule or economic democracy. It is a special political organization in a society which is developing along socialist lines.

Accordingly, it demands the active participation of the working people, both in the management of economy, and in the conduct of public affairs and, in general, in the political and public life of the country. And this participation, in turn, requires active and free men who enjoy, not only conventional rights, but also new democratic ones. It enables men and citizens, not only to develop political actions and to associate politically and otherwise, but also to organize institutions in which they themselves come to expression. In seeking such institutions in Yugoslavia, different forms of social self-government have been developed which, together with workers'

self-management and the system of communes, represents the chief lever of socialist democracy.

This conception of socialist democracy is closely connected with the emphasis laid on the growth of bureaucracy, i. e., the separation of the ruling strata of the population from the working class and the working people. The Yugoslav theory of society has sought the social and political roots of bureaucracy, which is a phenomenon, and a danger, which accompanies the development of society in the transition period from capitalism to socialism. Socialist democracy — as direct democracy, i. e., the organization of the direct and expanding self-government of the working people — is necessary in socialism also as a counter balance to bureaucratic tendencies which ceaselessly if manifest themselves society is class order and by its own insufficient development.

The third most important tenet of the Yugoslav theory of society concerns the rejection of every kind of idealization and simplification of the structure of the socialist society and of the processes within it. The socialist society, like every other class society and socialist democracy, as a political mechanism suffers from a number of contradictions, weaknesses, difficulties, old and new problems. The reducing of the fundamental relations in the socialist society to a conflict between the old and the new is „naïve and ultimately reactionary”. For this implies that the new is always better and more perfect, and that only the old relations create the weaknesses and difficulties of socialism. This simplification of matters is responsible for the view that the process of socialist development relies on the conflict between the proletariat and the bourgeoisie. On this point Kardelj writes: „This conception is responsible for the ceaseless and automatic praise of everything in the countries where the communist parties are in power — as if all social problems there have been settled for good, as if such problems can be settled by decrees from the offices of the centralized administrative machine at the moment when they may decide that the time has come to solve individual problems. Judging by this dogma, which is, unfortunately, not merely a caricature but is held in reality, it would seem that in the transition period social development does not produce daily both negative and positive trends”.<sup>1</sup>

Apart from the existence of class and other contradictions even in more developed socialist societies, the Yugoslav social theory emphasizes our „own” fundamental contradictions, i. e., contradiction between general and individual interests. These contradictions arise from the very backwardness of the economy and society, from the implementation of the principle: „to each according to his work” as well as from the existence of the state, policy and law, which are only the necessary and historically backward expressions of the contradictions of the very principles of socialism, which cannot yet satisfy all the needs of the people. The solving of this problem is not reserved for any organization or for any individual. It must be solved through the direct participation of the people in the conduct of economy and society, through the constant development of the material sources of society, i. e., the constant increasing of production and productivity, and the real withering away of the coercive and legal function of the state.

While particular attention to political organization and policy in the socialist society, the Yugoslav theory of society does not recognize the monopoly of any political or state centre over political authority, and it does not in advance give credence to any one for his good intentions or complete truth. It states that actions and truths must be proved in practice, by men for the benefit of men. But this is not all.

Politics and political organizations are a restriction on the complete freedom and spontaneous activity of man; they create possibilities for the distortion of correct decisions and views and for the implementation of incorrect ones. Accordingly, the Yugoslav theory of society holds that it is necessary, not only to keep on transforming the „party structure and the parties themselves”, but also to turn these gradually into free associations of free citizens. Complete freedom and equality, which are the aim of socialism and socialist democracy, can never be fully realized by only one section of society, but only by continually expanding the participation of the masses in the conduct of affairs, by turning politics into a public and personal affair of man. There can be no democracy without the influence of the masses on government, there can be no hap-

<sup>1</sup> E. Kardelj: „Socialist Democracy in Yugoslav Practice”, „Kultura”, 1955, p. 8.

<sup>2</sup> E. Kardelj: „Socialist Democracy and Economic Policy in Yugoslavia's Socialist Development”, „Kultura”, 1957.



ness without the people's full moral and political participation in government.

A number of other tenets of the Yugoslav theory of society arouse some interest among experts, and even the general public, in many foreign countries. The recognition of differences, not only the paths and forms of the transition from capitalism to socialism, but also in the forms of the organization of socialist societies, was until recently significant, both as a novelty in theory, and as an opposition to the conception that certain great socialist countries had the monopoly of socialism and the right to prescribe and direct the organization of other countries, which had also embarked upon the road to socialism. This recognition of different paths and forms of the organization of the socialist society also supports the inalienable right of every people to self-determination and self-government, as well as the acknowledgement of the possibility of differences and contradiction between individual countries with the same social systems. Accordingly, the Yugoslav social theory backs up the methods of cooperation and assistance instead of supervision, variety instead of uniformity.

The idea of the peaceful and active coexistence of countries with different social systems has appeared in the present day world as a result of the support for international cooperation, for the respect of the independence and sovereignty of people, and for the rejection of force and wars in solving international disputes. In Yugoslavia's policy, this idea has acquired the character of a principle, based on an analysis of present-day international and social conditions. It is an expression of the awareness of the growing economic and moral unity of the world, in which profound social and political transformations are taking place in general. In the circumstances created by the bloc division of the world, views regarding the ideological and moral superiority of one group of states over another — owing to the development of atomic weapons — lead humanity to general catastrophe; what is more, they create a false picture of the present structure of humanity. There is today no social system so perfect and developed as to be able to claim any moral or other kind of superiority. This belief only confirms the general view of the Yugoslav theory of society concerning human history and the character of the social and ideological achievements of man. Accordingly, the idea of active and peaceful coexistence further deepens the classical conceptions of international cooperation, and urges humanity to find ways and means to ensure the progress, freedom and happiness to which people and nations are entitled to view of the advances made in the scientific and technological exploitation of natural resources.

Finally, of great importance in political theory and practice is the conception of morality which is a component part of the political sciences in Yugoslavia. This conception rejects the view that „end justifies the means“, as well as the pharisaical belief that there exist fair means. Accepting the scientific truth that no social or political system of a class society seeks „ideals“, but only solutions of the necessary social processes, the Yugoslav theory of society sta-

tes that every political action cannot produce a moral label for the means which make one section of the working people oppose another, (justification for everything). On the other hand, it rejects the idea of the separation of the ends from the means employed to achieve them, since the dialectical laws on the interdependence of ends and means are valid here too. The ends cannot, therefore, be separated from the means, and the means themselves finally determine the character of the ends. In view of this, the aim of each moral policy must be linked with the means which serve to attain it. If the means do not reflect the final or the immediate aim, they confuse people, separate the masses from the struggle for socialism, and may conceal a distortion or a betrayal of the aim.

Accordingly all means are not permissible in the internal and external policy of states, particularly that of socialist states. It is considered in Yugoslavia that it is not moral or permissible to use means which make one section of the working people oppose another, tend to develop socialism without the self-government of the working people, give rise to privileges, bureaucracy and arbitrariness, and belittle the confidence of the masses in their own ability and their organizations — means which replace the participation of citizens in the conduct of public affairs by the rule of certain groups and the cult of the individual, substitute the active participation of citizens in public government by artificially organized parades and the forcing of blind execution of orders from above, human dignity by servility, the freedom of man and his material and moral security by blind submission and obedience, all in an atmosphere of insecurity, doubts and fear.

From all this a theoretic and instructive conclusion can be drawn. Policy is the act of man. It is not just a technique designed to achieve mere outward results. A real democratic policy seeks results which can be understood, approved and realized. Without this, there can be no democracy or human liberties — no socialist democracy. In socialism and democracy, the only politically effective acts are those which achieve something worthy of man, which encourage him to think, and so seek better methods for the realization of the common aims of mankind.

The Yugoslav theory of society applies the same methods of dialectical and critical realism to its own tenets as to the institutions and forms in which these tenets have been completely or partially realized in the social and political system of the country. It emphasizes in advance their insufficiency and the need to perfect them. The aim of science is to get rid of all errors, including those created by the theory itself. The forwarded and somewhat accepted and implemented scientific tenets and truths are insufficient, and they must be further elaborated and explained. Science, like the revolution and organization of society, stagnates and deteriorates as soon as it begins to be considered as perfect and final. The tenets which the Yugoslav theory of society puts forward — as a phase in the development of the social sciences — create the very basis upon which they can be replaced by better and more advanced postulates, as necessitated by the old and new problems of human progress. Consequently, cooperation and mutual and self-criticism are the necessary characteristics of and the prerequisites for the true advance of all sciences, particularly of the science of society and the state.

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## Chronology of Events

- September 15 — The United States Secretary of Commerce, Sinclair Weeks arrived in Beograd for talks with the leaders of the Yugoslav economy.
- September 15 — The Vice President of the Federal Yugoslav Executive Council, Svetozar Vukmanović, with other members of the Yugoslav economic delegations, Vladimir Velebit and Vojin Guzina, arrived in Ulan Bator for an official visit to the People's Republic of Mongolia.
- September 16 — A joint Yugoslav Polish declaration was signed in Beograd.
- September 16 — Poland's party and government delegation, headed by Wladislaw Gomulka, left Beograd.
- September 16 — President Tito received the American Secretary of Commerce, Sinclair Weeks.
- September 17 — The Yugoslav papers published the proposal of the Rumanian Prime Minister, Kiwu Stotka, for a consultative meeting of the government chiefs of all Balkan States together with President Tito's reply.
- September 19 — A delegation of the Association of Yugoslav Veterans left for a fifteen day tour of Poland to return the earlier visit of Polish veterans to Yugoslavia.
- September 19 — The Belgian Minister of Education, Leo Kolar, who had been on a visit to Yugoslavia as a guest of the Vice President of the Federal Executive Council, Rodoljub Colaković, left Beograd for Brussels.
- September 19 — A delegation of the Association of Yugoslav Veterans left for a two week return visit to the Committee of Soviet War Veterans whose delegation toured Yugoslavia earlier this year.
- September 19 — A meeting began in Dubrovnik of the Executive Council of the International Association of Fine Arts whose second congress will be held there under the sponsorship of President Tito from September 23 to 28.
- September 24 — President Tito received in a farewell visit the Soviet Ambassador to Yugoslavia, Nikolai Firubin, and awarded him the Medal of the Yugoslav Flag First Class for his merits in developing and consolidating peaceful cooperation and friendly relations between the two countries.
- September 26 — Members of the Yugoslav economic delegation on a tour of Asia arrived in Rangoon. The chief of the delegation, Svetozar Vukmanović, then invited, on behalf of the Yugoslav Government, a Burmese delegation to visit Yugoslavia.

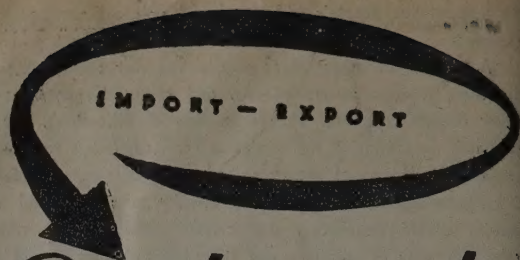
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Marijan HUBENI: Engineer of Economy, and publicist; is a Fellow of the Institute for International Policy and Economy. Former Professor of the Economic Faculty in Belgrade.

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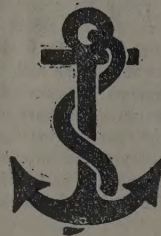
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Subscription rate to the "Review of International Affairs" is 3.34 dollars annually. National Bank Account No 1032-T-781; Administration and editorial office: Beograd, Jovanova 16/III; POB. 413; Tel: 25-660;

Printed by the Service of the Federation of the Jurists' Association of Yugoslavia, Beograd, Proleterskih Brigada, 74